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DDI 02501-85

16 MAY 1985

MEMORANDUM FOR: Director of Central Intelligence

FROM: Robert M. Gates  
Deputy Director for Intelligence

SUBJECT: Department of Education's Budget for  
Area Studies

*Reference your note of 30 April -*

1. This memorandum explains the state of play on the Department of Education's funding for area studies. While CIA largely benefits only indirectly from the programs supported, it may be worth weighing in on this issue with OMB next fall as work begins on the FY 1987 budget. (C)

2. For the last several years, OMB has cut from the Department of Education's budget all funds requested to support foreign area studies.<sup>1</sup> These include funds to support area studies centers (called "National Resource Centers"), studies in business and international affairs, fellowships for foreign languages and area studies, and funds to help universities support faculty and students (US citizens) to study abroad. Regardless of OMB actions, Congress has put money back into the budget each year for this Department of Education support. (C)

3. For 1986, the Department of Education has requested \$32 million, similar to the amount of funds appropriated in FY 1985. These funds are to be used for the following purposes:

Area studies centers	\$ 12.2 million
Fellowships	7.5

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<sup>1</sup>This funding is distinct from Title VIII (Lugar/Biden) funding for training and research on the USSR and Eastern Europe. In FY 1985 \$4.8 million was appropriated under Title VIII for a variety of programs approved by the Department of State to support Russian and East European area studies. (U)

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Undergraduate international studies	3.1 million
Business and international education	2.2
International research	1.5
Overseas programs	5.5

Despite strong representation to OMB by Secretary Weinberger and DIA in late 1984 that these programs are in the national interest and should be funded, OMB again zeroed them. Dave Stockman's position has been that if other government agencies are interested in them, they should pick up the slack in funding. In addition, he has argued that since government funding accounts for a small share of the centers' budgets, loss of funding will have little impact. At this time, the Department of Education's budget is before the Senate and House Appropriations subcommittees, and hearings will continue at least through the end of May. A staffer working for the Senate subcommittee expects that Congress will once again appropriate the funds this year while a House staffer is less sure. (C)

4. The following describes the nature of the foreign area studies and language programs that have been supported by Department of Education's funds. Out of the \$32 million appropriated in FY 1985, 85% went to finance foreign language and area studies and 15% for international affairs and comparative studies; out of the total, 85% went to support studies at the graduate level and 15% to undergraduates. The bulk of funds goes to 91 area studies centers located at universities throughout the US. These focus on a given foreign country or regions (such as Latin America, Africa, the Middle East, Asia, China, the USSR, and Western Europe). These centers: teach courses in all disciplines related to a specific country or area, including languages; support independent research; include libraries; and provide consultative help to scholars, business, and government. They are funded by universities, private endowments, and business, with government funding accounting for 10% or less of their budgets. The foreign language focus of Department of Education funding broadly corresponds to the languages that FBIS and the Directorate of Intelligence consider as critical. The breakdown of funds to support language study and teaching through 1984 was as follows:

30%	Asian
15%	Russian/East European
13%	Middle Eastern
13%	Latin American

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10%	African
4%	West European
15%	Other (U)

5. CIA's relations with these area studies centers are indirect but there are some ways in which we stand to benefit from their programs and therefore from Department of Education funding. The main ways that we directly relate to them are through contracts with their faculty for specific research or consulting and through our financing of education for our employees. Less directly, but no less important, is the fact Department of Education funding helps to ensure that there are well-educated and smart people to turn to when the government needs them. In particular, as more students are trained in foreign languages, area studies, and other subjects of national security interest, this adds to the pool of educated people from which the intelligence and policy communities can draw. (C)

6. The DI, DO, and FBIS all have important recruiting needs for the kind of students educated in area studies centers. The Directorate of Operations, for example, is experiencing difficulties in finding and recruiting qualified Career Trainees to become case officers, reports and requirements officers, translators and transcribers, and operational support personnel upon which the future of the Directorate will depend. Similarly, the Directorate of Intelligence continues to need qualified analysts from all disciplines, particularly those with in-depth knowledge of a given country or region, and with multidisciplinary experience. FBIS has similar needs and, in addition, is concerned with recruiting persons with language skills, particularly those that are more arcane but are critical to our knowledge of Asia and the Middle East, for example. (C)

7. Any reduction in government funding to programs that interest our youth in international careers and that provide the basic language and area knowledge we require will exacerbate our staffing problems. Reductions also will probably prove to be a false economy because the money saved by not funding these university programs will have to be spent by the various government agencies to develop their own programs to increase the skills of the less qualified candidates they may have to hire. (C)

  
Robert M. Gates

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30 April 1985

MEMORANDUM FOR: Deputy Director for Intelligence  
FROM: Director of Central Intelligence  
SUBJECT: Visit to Pittsburgh

1. I had good meetings in Pittsburgh yesterday with the editorial boards of the three newspapers there, a talk to the World Affairs Council, a meeting with some 20 members of the political science and national security faculty members of the University of Pittsburgh, and dinner with 20 Chief Executive Officers at the Duquesne Club. All of these meetings went very well. The meeting at the University was particularly constructive. They made a pitch to me about pushing for the \$27 million in the Department of Education's budget for area studies. Apparently, OMB struck it out and Congress put some money back in. I'd like to know where that funding is now, what has it accomplished, what is the relationship of this program to our Third World data base? I am told that there are 90 regional university study centers around the country with some 1,000 scholars working on these area studies.

2. What do we know about it and how do we relate to this program?

  
William J. Casey

*See 10  
May to DDI*

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